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## Mayor Bernero's 2017 Budget Blueprint Highlights Neighborhoods, Public Safety, Infrastructure

### *City Budget Starts with Surplus for Third Straight Year*

(LANSING) – Mayor Virg Bernero today unveiled a proposed spending plan for the city's next fiscal year that includes strategic investments in neighborhoods, public safety, technology, infrastructure and other key areas. Bernero noted that the FY 2017 budget begins with a \$2 million surplus, the third straight year that the city budget has enjoyed a modest surplus.

“The tough decisions we made over the last decade to control costs and create a leaner, more efficient city government are now paying dividends,” Mayor Bernero said. “We have effectively eliminated the city's structural deficit and now we must continue making the strategic investments necessary to grow our economy, improve essential city services and strengthen the quality of life in Lansing.”

Mayor Bernero's FY 2017 Executive Budget Recommendation outlines a \$123.5 million general fund budget, a 2.4% increase from FY 2016, and an all-funds citywide budget of \$199.7 million, 1.7% more than FY 2016.

To continue strengthening the city's rainy day fund, Bernero's plan allocates \$500,000 of the projected surplus to general fund reserves. Added to the \$2.7 million deposited in reserves at the close of FY 2015 and \$2.9 million more projected at the end of the current fiscal year, city reserves will increase to \$13.2 million, equal to 10.6 percent of the general fund. This represents tremendous progress toward the city's goal of 12-15%.

Bernero noted that more than \$41 million -- nearly one-quarter of all city expenditures -- is set aside for prefunding of retiree health care costs and actuarially-approved contributions to employee pensions. His administration has worked in good faith with employee unions, Bernero said, to save taxpayers more than \$200 million over the next 40 years by reducing the cost of retirement benefits for future city employees.

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Mayor Bernero also highlighted his administration's aggressive efforts to find solutions to the city's long-term unfunded liabilities for retiree health care and pensions. Working with the Lansing Financial Health Team, Michigan State University's Dr. Eric Scorsone and the Michigan Department of Treasury, an expert consulting firm will soon be engaged to recommend additional strategies the city should consider to reduce the long-term cost of retirement benefits.

Bernero noted that his budget includes strategic investments in repairing the city's crumbling roads and sidewalks, continuing to modernize technology to improve productivity and customer service, and strengthening public safety. His proposal calls for a \$350,000 upgrade to LPD's records management system, additional staffing and video storage to support the department's new body-worn cameras, and new turnout gear for city firefighters.

"Public safety continues to be my top priority and my budget plan makes sure we have adequate police and fire staffing, excellent response times, and the equipment and technology our first responders need to protect Lansing residents and businesses," Bernero said.

Bernero said his FY 2017 budget plan highlights his administration's commitment to building strong neighborhoods across the city, including his new Block-by-Block neighborhood wellness initiative, a new Lansing Housing Ombudsman to help resolve landlord-tenant disputes and neighborhood concerns, and a citywide effort to remove lead paint hazards from older homes where young children can be exposed to lead poisoning.

"Our aging housing stock presents challenges," Bernero said. "At the same time, strong neighborhoods are the backbone of the city and we will continue to invest in them."

Mayor Bernero's proposal includes \$1 million to upgrade the city's aging vehicle fleet and two new mechanics at the city garage to help keep mission-critical vehicles like fire trucks, ambulances and snow plows on the road.

Bernero said his budget plan allocates additional funds to repair city streets and sidewalks, but he was also critical of the state's inadequate solution to road funding and said the city has nowhere near enough resources to make significant improvements to Lansing's crumbling roads. City engineers estimate it will cost more than \$150 million to restore city streets to average condition.

"The state is directly responsible for providing local communities with road repair dollars through the state gas tax, and they have failed to meet that obligation. As a result, we now have hundreds of miles of crumbling streets," Bernero said. "The state's so-called funding solution falls far short of what's needed and delivers minimal resources to local communities in the first few years. Unfortunately, this means we will be living with deteriorating roads and expensive car repairs for years to come."

Mayor Bernero formally submits his FY 2017 budget recommendation to the Lansing City Council at their regular meeting tonight. Under the City Charter, the Council has until May 16 to adopt a final city spending plan for the next budget year.